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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

THIRD COUNTRY PROGRAMME FOR MONTSERRAT

Programme period	Resources	$
1992-1996	Net IPF	539 000
	Estimated cost-sharing	30 000
	Total	569 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Montserrat's economy has grown at a remarkable pace over the last few years. Tourism and construction are the main sectors in the continuing positive economic performance. At the same time, Montserrat's development remains highly vulnerable to the unpredictability of both the international economic environment and natural disasters such as hurricanes. In addition, the country's difficulties in retaining its human resources could impact negatively on the potential for growth.

2. While the tourism sector has great potential for further expansion, new investments will have to be carefully assessed in view of the need to maintain the quality of the natural environment. Stimulated by the reconstruction and rehabilitation needs following hurricane Hugo (1989), construction activity was particularly buoyant over the last two years, exceeding the pre-hurricane gross domestic product (GDP) share of 12 per cent. The construction boom, however, further tightened the labour market squeeze, necessitating the importation of labour.

B. National development objectives and strategies

3. The Government's development objectives seek to accomplish improvement in the quality of life of its peoples through the establishment of a modern service-oriented economy, the upgrading of its physical infrastructure and the continued development and expansion of its social services. Tourism and offshore banking are likely to continue as principal agents of growth.

4. The Government has recently embarked on the preparation of comprehensive sectoral plans which are to be integrated into a national development plan, which foresees an investment of $56 million over the 1992-1995 period. About 51 per cent is devoted to the transport sector, 22 per cent to general public services, 13 per cent to social services and 5 per cent to agriculture.

5. With a Public Sector Investment Programme (PSIP) focusing on a number of large physical infrastructure projects and a private sector eager to undertake further developments to expand the tourism sector at a rapid rate, the effective management and efficient utilization of Montserrat's unique physical resources and its natural environment have become issues of concern to the Government. The Government, therefore, wishes to embark on an ecotourism strategy aimed at developing the natural attractions of the country in a manner consistent with environmental considerations. The Government's present policy does not foresee establishment of the traditional range of attractions and entertainment facilities which the mass tourism market demands. Instead, activities are to be geared towards the country's preservation efforts. With regard to the construction sector, the Government aims to link the preparation

of spatial plans with the creation of an institutional mechanism capable of implementing the plans, accompanied by the formulation and promulgation of the necessary legislation regulating the spatial planning process.

II. EXTERNAL COOPERATION

A. Role of external cooperation

6. Funding for Montserrat's PSIP, inclusive of the required technical assistance, will be provided by the Caribbean Development Bank (CDB), the European Investment Bank (EIB), the European Development Fund (EDF), the Canadian International Development Agency (CIDA) and the British Development Division in the Caribbean (BDD). Priorities for technical assistance exist in the areas of economic planning, tourism development, natural resource management, training and education. The European Community is active in water resources development and tourism. Funding has been solicited for these areas from the United Kingdom, the European Community (EC), the German Agency for Technical Cooperation (GTZ), the Organization of Eastern Caribbean States (OECS) and the United Nations Development Programme (UNDP). In addition to the assistance provided by the United Nations specialized agencies through the United Nations Development Programme (UNDP) country programme, Montserrat benefits from regional activities supported by the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the Pan-American Health Organization and the World Health Organization (PAHO/WHO) and the International Labour Organisation (ILO).

B. Coordination arrangements

7. Notwithstanding its constitutional status, the island has full membership in the OECS and participates in the coordinating mechanisms set up by that Organization. Efforts are being made to integrate donor assistance to Montserrat into the regional programming strategies of donor agencies for the OECS. UNDP convenes, on a quarterly basis, donor coordination meetings which also include the programmes for Montserrat.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

8. The second country programme focused on the objectives of increased agricultural production, improvement of the educational system and improvement of health services. Physical development planning, while not foreseen at the beginning of the cycle, emerged as an important new priority for UNDP technical assistance after the massive destruction caused by hurricane Hugo. In addition to the indicative planning figure (IPF) resources, UNDP made available Special Programme Resources (SPR) amounting to $340,000 to assist recovery efforts in reconstruction, concentrated on housing and agricultural rehabilitation.

9. The objectives of the country programme were too broadly defined to permit an accurate assessment of the extent to which UNDP technical cooperation facilitated attainment of strategic-level goals. In fact, the spread of limited IPF resources over three important sectors was indicative of a lack of focus on clearly defined priorities and may have contributed to the utilization of funds in an ad hoc fashion. Despite these constraints, UNDP assistance was instrumental in furthering several important developmental activities. Advisory services provided in agriculture were able to contribute to a moderate increase in vegetable production and introduced new techniques by small farmers in the area of soil and water conservation.

10. Along with funding by the EDF, BDD and CIDA, a UNDP-funded intervention allowed the Water Authority to upgrade and replace miles of old piping systems, plan new reservoirs, refurbish old ones and improve catchment basins. This project, by its complex nature, greatly facilitated increased collaboration among external donors, thus making a significant contribution to securing future coordination efforts. Assistance in the education sector concentrated on technical and vocational training. The programme was handicapped by implementation delays and the temporary lack of demand for such training. These problems, however, were attributed to the effects of the hurricane which, for several months, directed national attention and efforts to the challenges of reconstruction and rehabilitation.

11. Rapid and effective response to the effects of the hurricane required imaginative use of the technical cooperation among developing countries (TCDC) modality. The SPRs facilitated the movement of skilled and experienced technicians, as well as technical college students, to Montserrat from nearby countries to support the efforts of national personnel.

12. The lack of adequate counterpart-capacity contributed to serious programme implementation difficulties. Although UNDP-funded technical assistance was effectively supported by the Government's Development Unit, problems arose with regard to intersectoral coordination, resulting in delays and duplication of effort.

B. Proposals for UNDP cooperation

1. Preparatory process

13. Preparation of the third country programme was based on:

(a) The mid-term review of the second programme;

(b) The advisory note of UNDP; and

(c) Consultations held between the Government and UNDP in September 1991.

Prior to the preparation of the advisory note, UNDP had sponsored the review of general technical assistance needs and the visit of a subregional sectoral mission examining prospects and assistance requirements for the tourism sector. In addition, the Government and UNDP have established a pattern of continuous dialogue on all matters relating to the orientation and implementation of UNDP-funded technical assistance. This has been of substantial benefit in informing the preparation of the third country programme. All United Nations agencies were invited by UNDP to participate in the country programming process. Several agencies, notably those represented in Barbados, submitted responses outlining their priorities and proposed activities for the cycle.

2. Strategy for UNDP cooperation

14. Montserrat's future development will depend on a cautious and forward-looking approach to its unique and unspoiled natural environment. Planned developments, while intending to enhance the island's attractiveness as a tourist destination, may impact negatively on the environment. The Government's national development objectives take full account of the importance of effective natural resource management.

15. The Government therefore plans to utilize UNDP's technical assistance in the fifth cycle in four main strategic areas, namely: sectoral and policy analysis in the environment; technical cooperation with developing countries; aid coordination; and intercountry programmes. This approach takes account of the decision that the major portion of the IPF resources will be directed towards building up national capacity to address the problems related to effective management of the island's natural resources. Maximum use will be made of UNDP's access to world-wide experience in the increasingly complex task of reconciling management of natural resources with the pressing demands for physical infrastructural development and the accelerating pace of environmental degradation.

16. Based on experiences gained during the recent hurricane rehabilitation activities, the Government plans to expand the use of the TCDC modality as an integral part of delivery of technical assistance during the fifth cycle. The wealth of technical and managerial skills in nearby Caribbean countries constitutes a reservoir of expertise to supplement national efforts in the formulation and implementation of sectoral and national development programmes.

17. Within the framework of the country programme, UNDP will service periodic donor consultations to assist the Government in managing aid coordination arrangements. The mobilization of additional external resources in this context will also open up new opportunities for cost-sharing and co-financing.

18. Opportunity will also be taken to integrate national technical assistance efforts with the multi-island programme and regional programmes of UNDP. Planned intercountry projects in environmental and natural resource management, disaster management and the reform of the public sector will therefore become an important and complementary part of the country programme.

3. Areas of concentration selected for UNDP cooperation

19. Montserrat, on account of its constitutional status, did not benefit from a regional exercise funded by the United States Agency for International Development (USAID) and executed by the Caribbean Conservation Association (CCA), which produced comprehensive environmental profiles for six of the OECS member States. The preparation of a similar profile for Montserrat will, therefore, be the first activity to be undertaken under the third UNDP-funded country programme.

20. The preparation of such a profile will be an essential precondition not only for the formulation of policies and plans, but also for the development and implementation of the required programmes and projects which will enable the Government to contribute to sustainable development of its economy in the widest sense. This situation analysis will, therefore, quantify and prepare an inventory of the existing natural resource base, governmental and non-governmental organizational capacities, available human resources, as well as the conflicting urban, rural and industrial contexts and demands. This work will empower national authorities to take decisions which will contribute to the achievement of a sustainable balance between resource utilization, on the one hand, and preservation, conservation and management, on the other.

21. While the recommendations emanating from the country environmental profile will identify the precise areas in which UNDP-funded interventions will be designed to address specific problems, the Government has already selected four areas for which technical assistance from UNDP will be required within the overall framework of environmental management:

(a) Environmental impact assessment;

(b) Ecotourism;

(c) Spatial planning; and

(d) Solid waste management.

There is, at present, no established national capacity to assess the impact on the environment of new projects on the island. UNDP will provide assistance to carry out environmental impact assessments for planned developments. UNDP will also arrange for training of government officials to increase awareness of environmental implications at the decision-making levels.

22. In the area of ecotourism development, Montserrat is considering the establishment and upgrading of several tourist attractions, such as sulphur springs, hot water pools, nature trails, bird sanctuaries and natural park areas. A feasibility study undertaken in late 1991 on the development of the Galways Soufriere revealed that this development specifically holds potential for the employment of women.

23. Assistance in the area of spatial planning has been provided by UNDP since early 1990. Further activities will focus on establishment of institutional mechanisms to foster integration of physical planning and environmental considerations into the overall development planning process. Assistance in this area is also provided by the Overseas Development Agency (ODA) of the United Kingdom and the GTZ-funded Natural Resources Management Unit of the OECS. The UNDP, in collaboration with PAHO, will also be requested to provide technical assistance in solid waste management.

C. Cooperation outside selected areas of concentration

24. UNDP will continue to assist the technical vocational training project of the Montserrat Technical College, and agricultural development and management development through UNDP's multi-island and regional funds. Assistance provided to the Montserrat Water Authority in the area of water resources management will be continued through 1993, with substantial cost-sharing by the Government. Preservation and maintenance of the island's watersheds will also receive technical advisory assistance within the framework of the proposed programme in environmental management.

25. Only one acquired immune deficiency syndrome (AIDS) case has been reported in Montserrat during the 1986-1991 period. However, the Government is conscious of the need to raise public awareness. In this context, the Government notes the intention of UNDP to support, together with PAHO, the efforts of the Caribbean Epidemiology Center (CAREC) to establish a regional scheme to coordinate donor projects to fight AIDS.

D. Implementation and management arrangements

26. During the second country programme for Montserrat, almost half of all projects were implemented under the national execution modality. This trend will be continued during the new country programme. United Nations agency inputs will specifically be directed towards high-quality situation analyses and technical advice and support.

27. A careful assessment of national capacities and budgetary resources plus greater attention to project design and programme coherence should enable greater impact of the new country programme. Quantifiable indicators of success in actually building national capacities are to be included in the specific projects to be formulated under the new programme.

28. UNDP will assist the Government in the coordination of aid, paying particular attention to the possibilities of co-financing arrangements which will ensure that greater programme impact can be achieved.

29. The programme is to be reviewed through the mechanism of the quarterly consultations between the Government, the OECS and UNDP. These consultations additionally monitor the continuing adequacy of the complementarity between the country programme, the multi-island programme and the Caribbean regional programme.

30. A formal mid-term review will be held in 1994.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Thousands of dollars)	
Carry-over from fourth cycle IPF	58	
Fifth cycle IPF	481	
Subtotal IPF		539
Project cost-sharing (Government)	30	
Project cost-sharing (third-party)	-	
Programme cost-sharing	-	
Subtotal cost-sharing		30
TOTAL		569

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Environment	431	30	461	81
Subtotal	431	30	461	81
Unprogrammed reserve	108	-	108	19
TOTAL	539	30	569	100

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds		
SPR	-	
UNCDF	-	
UNSO	-	
UNIFEM	300	
UNRFNRE	-	
UNFSTD	-	
Subtotal		300
B. Other United Nations resources		
JCCP participating agencies		
UNFPA	-	
UNICEF	-	
WFP	-	
IFAD	-	
Other United Nations agencies (non-UNDP financed)	-	
Global Environment Facility	-	
Subtotal		-
Total non-core and other United Nations resources		-
C. Non-United Nations resources a/		-
TOTAL		300

a/ Funds originating from the implementation of management services agreements.

Annex II

PROGRAMME MATRIX

	Area of focus a/					
	Poverty eradication and grass-roots participation in development	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. Environmental protection and natural resource management						
Natural resources inventory	*	*	*	*	*	*
Environment and development		*	*			
Ecotourism		*				
Environmental health	*	*		*	*	*

a/ Asterisks indicate major linkage only.